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# INSTRUCTIONS FOR ALTERNATIVE EXERCISE

## SOME FACTORS AFFECTING THE FUTURE OF SOCIAL SECURITY

As a member of the Social Security Board of Trustees, you have been presented with the following list of possible economic and demographic factors which would have an impact on Social Security financing. Analyze the impact based on what you have learned about how the Social Security system works. Then state an appropriate response that would offset or take advantage of any impact on the trust funds. You may use your factsheets or any other source you wish.

### Example

#### EXPANSION OF ECONOMY

Gross national product (GNP) annual growth will average two to four percent by 2030.

IMPACT: Higher income into trust funds from taxes from employees, employers, self-employed.

SUGGESTED RESPONSE: Allow trust fund reserves to accumulate toward the payment of future benefits.

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#### LOWER BIRTH RATE:

U.S. birth rate may drop to the current rate in several western European countries by the next century. (1.6 children per woman compared to 2.0 today.)

#### LABOR FORCE GROWTH

Will fall to an annual rate of less than one percent in late 1990's and decline further after the turn of the century.

#### THE NUMBER OF WORKING WOMEN

Proportion of women working outside the home will continue to increase, although at a slower rate than in the past.

#### IMMIGRATION

The U.S. is expecting increased immigration over the next decade.